



**WARE
HOUSE
REIT**



**Warehouses for
e-commerce**

EPRA Data Report
Warehouse REIT plc

EPRA SUSTAINABILITY BEST PRACTICES RECOMMENDATIONS

We have chosen to report our material environmental, social and governance data in accordance with the 3rd edition of the EPRA Sustainability Best Practices Recommendations (“sBPR”), September 2017.¹ Our reporting response has been split into three sections:

1. Overarching recommendations

2. Environmental performance measures

3. Social and governance performance measures

1. Overarching recommendations

Organisational boundaries

Our EPRA reporting covers the properties owned by the Group, which at 31 March 2021 included a portfolio of 101 urban warehouse assets located across the United Kingdom. The activities of our Investment Advisor, who is responsible for all management and administrative functions, fall outside the scope of this report as it is a separate legal entity outside of the Group.

Coverage

Unless otherwise stated, all absolute performance measures relating to electricity, fuels and associated greenhouse gas (“GHG”) emissions relate to assets where we procure utilities for common areas, shared services, occupier areas and those properties that are vacant. These account for 19 out of the 101 assets within our portfolio at 31 March 2021. Coverage of these assets, where we procure the utilities, is 100%. The remaining assets are single or multiple occupancy assets with no landlord-obtained utilities.

Like-for-like performance measures include properties within this scope for which we have collected two years’ worth of consistent data – and excludes properties sold, acquired or under development during the period: 1 April 2019 to 31 March 2021. Our like-for-like portfolio therefore represents 16 out of the assets covered in our organisational boundaries, and data coverage is 100% of these properties.

We aim to complete annual health and safety assessments for 100% of the assets, excluding those where the responsibility for health and safety assessments is with the occupier.

Boundaries – Reporting on landlord and occupier consumption

The energy and associated GHG emissions data reported includes electricity and fuels consumption which we purchase as landlords and refers to common areas, shared services and occupier areas where this consumption is not sub-metered but recharged via the service charge. Utilities procured directly by occupiers is excluded as it falls outside our operational control.

Estimation of landlord-obtained utility consumption

All data is based on invoices and/or meter readings where available. Estimations have been applied where invoices were not available at the time of publication. In these instances, we have estimated consumption data based on the most recent invoice or reading for the corresponding period. On this basis, the following proportion of data is estimated for 2020/21:

- electricity: 6%;
- gas: 31%; and
- water: 92%.

1. EPRA sustainability guidelines and definitions are available for download via: www.epra.com/sustainability/sustainability-reporting/guidelines.



Analysis – Normalisation

Energy and emissions intensity indicators are calculated using floor area sq ft for whole buildings. We are aware of a mismatch between the numerator and denominator, as in some properties our utilities consumption relates to common areas only, and in others it covers both shared services, outside space and occupier areas where there are no sub-meters.

Analysis – Segmental analysis (by property type, geography)

Segmental analysis is organised by the property classification used in our financial reporting, which defines our investment portfolio as urban warehouse assets. Additional segmental analysis by geography is not applicable as all assets are in the United Kingdom.

Reporting period

Absolute performance measures and intensity metrics are reported for the most recent reporting year (year ending 31 March 2021). Like-for-like performance measures are reported for the two most recent reporting years that we can collect consumption data for (years ending 31 March 2020 and 31 March 2021).

Disclosure on own offices

The data excludes our registered office as it is not occupied by the Group. Utilities associated with our Investment Advisor's own office consumption and employee-related performance measures are excluded as they fall outside the scope of our organisational boundaries.

Data verification and assurance

All data generated is reviewed for consistency and coherence before being released into the Group reporting database. External verification or assurance by a third party is not currently undertaken.

Materiality

Following the materiality assessment conducted as part of our strategy review, the following EPRA performance measures are not considered material. We have therefore excluded them from our reporting:

- District heating or cooling (“DH&C”)-absolute & DH&C-like for like: No DH&C is procured across our portfolio;
- Diversity-Emp; Diversity-Pay; Emp-Training; Emp-Dev; Emp-Turnover & H&S-Emp: The Group has no direct employees. All administrative functions associated with the management of our portfolio are conducted by our Investment Advisor, which is a separate legal entity and therefore outside the organisational boundaries of this report; and
- Waste-absolute & Waste-like for like: Operational waste is generated solely by our occupiers and is therefore outside of our control. Waste generated through our development activities is excluded from the scope of the EPRA sBPR. We have identified a long-term target to reduce waste from developments as part of our sustainability strategy.



EPRA SUSTAINABILITY BEST PRACTICES RECOMMENDATIONS CONTINUED

2. Environmental performance measures

EPRA CODE	PERFORMANCE MEASURE	UNIT	SCOPE	ABSOLUTE 2020/21	LIKE-FOR-LIKE		% CHANGE
					2019/20	2020/21	
Elec-Abs; Elec-LfL	Total electricity consumption	MWh	Total landlord-obtained electricity	2,011.3	1,126.7	1,017.2	(10)%
Fuels-Abs; Fuels-LfL	Fuel consumption	MWh	Total landlord-obtained fuels	87.2	131.5	66.7	(49)%
Energy-Int	Building energy intensity	kWh/sq ft/year	Building energy intensity	1.15	0.80	0.69	(14)%
GHG-Dir-Abs	Total direct greenhouse gas ("GHG") emissions	t CO ₂ e	Direct - Scope 1	16.0	24.2	12.3	(49)%
GHG-Indir-Abs	Total indirect greenhouse gas ("GHG") emissions	t CO ₂ e	Indirect - Scope 2 (location-based)	468.9	288.0	237.1	(18)%
GHG-Int	Greenhouse gas ("GHG") emissions intensity from building energy consumption	kg CO ₂ e/sq ft/year	Scopes 1 & 2 greenhouse gas ("GHG") emissions	0.27	0.20	0.16	(20)%
Water-Abs; Water-LfL	Water consumption (mains supply)	Litres	Total landlord-obtained water	20,369	20,452	20,369	(0.4)%
Water-Int	Building water intensity	Litres/sq ft/year	Building water intensity	0.011	0.013	0.013	(0.4)%

3. Social and governance performance measures

EPRA CODE	PERFORMANCE METRIC	UNIT OF MEASUREMENT	2020/21
H&S-Asset	Asset health & safety assessments	%	98%
H&S-Comp	Asset health & safety compliance	%	100%
Comty-Eng	Community engagement, impact assessments and development programmes	%	See above
Gov-Board	Composition of the highest governance body	Number of Non-Executive Board members	6
		Number of independent Non-Executive Board members	4
		Average tenure on the governance body (years)	3
		Number of independent/Non-Executive Board members with competencies relating to environmental and social topics	2
Gov-Select	Nominating and selecting the highest governance body	Please see the Nomination Committee report on pages 86 and 87	
Gov-Col	Process for managing conflicts of interest	Please see the corporate governance statement on page 83	



Narrative on performance

Environmental performance

Absolute landlord-obtained electricity consumption during the year ended 31 March 2021 was 2,011.3 MWh.

Landlord-obtained fuel consumption (natural gas) over the same period was 87.2 MWh. This equated to an energy intensity (electricity and gas) of 1.15 kWh/sq ft/year across the properties included in our organisational boundaries.

On a like-for-like basis, landlord-obtained electricity consumption decreased by 10%, and fuels consumption decreased by 49% compared with 2019.

We saw a corresponding 14% reduction in the energy intensity of our like-for-like portfolio.

Like-for-like Scope 1 and 2 emissions fell by 49% and 18% respectively. Total Scope 1 and 2 emissions from building energy consumption were 484.9 tonnes of CO₂e, which translated into a GHG emissions intensity of 0.267 kg/CO₂e/sq ft/year.

Water consumption also fell over the same period, although at a smaller rate due to the already low levels of use. Absolute water consumption for the year ending 31 March 2021 was 20,369 litres, representing a water intensity of 0.011 litres/sq ft.

The reductions can largely be attributed to Covid-19 and the extended lockdowns which led to reduced occupancy rates as more occupiers implemented work-from-home policies.

We also invest in resource efficiency measures as part of our standard approach to asset management. We target a spend of 0.75% of our GAV on capital expenditure each year, and this includes consideration of energy efficiency initiatives balanced against the potential return in terms of asset value and rental growth.

Expenditure encompasses improvements to building infrastructure, electrical installations such as replacing existing lighting with LEDs, and updating heating systems with efficient boilers in warehouse and office space.

For an analysis of Energy Performance Certificates please see page 50.

No properties in our portfolio had a green building certification (such as BREEAM, LEED or similar) in the previous financial year.

Social performance

Health and safety

The Property Managers conduct an annual health and safety assessments of the assets which cover:

general hazards and risk assessments;

- fire safety;
- water hygiene;
- progress on existing hazards identified; and
- any specific risks related to a particular site.

One assessment has not been possible during the last year due to the Covid-19 restrictions on travel to Northern Ireland.

Community engagement

We ensure that key decisions relating to the portfolio take into account our impact on local communities. This involves meeting health and safety requirements, conducting impact assessments and undertaking wider consultations required as part of the planning approval process for new developments. As no applicable developments were announced in 2020/21, we have marked this performance measure as not applicable. For more information, see the stakeholder engagement section of our strategic report, as set out on pages 20 to 23.

Governance

Governance performance measures relate to the Board. For full background information on our governance performance measures, including a profile of the Board, a description of our nomination procedures, and processes for managing potential conflicts of interest, please see page 83.

Non-Executive Directors Aimée Pitman and Martin Meech both have significant experience relating to developing strategies to improve social and environmental impacts in business. Aimée led work in 2020 with Eden McCallum and Chapter Zero to develop a 'toolkit' for climate change strategy and action. Martin has experience implementing sustainable strategies via his role at Travis Perkins.

On behalf of the Board

Neil Kirton

Chairman

24 May 2021

The logo for Warehouse REIT, featuring the words 'WAREHOUSE REIT' in white, uppercase, sans-serif font on a green rectangular background. The background of the entire page is a photograph of trees and foliage, with a white building partially visible through the branches.

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